

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK


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HENG REN SILK ROAD INVESTMENTS LLC et al.,	:	:	
	:	:	
Plaintiffs,	:	:	19-CV-2680 (JMF)
	:	:	
-v-	:	:	<u>ORDER</u>
	:	:	
SINO AGRO FOOD, INC. et al.,	:	:	
Defendants.	:	:	
-----X		:	

JESSE M. FURMAN, United States District Judge:

The parties are hereby advised that the Court has received the attached communications relating to this litigation (which have been redacted to remove personal information).

SO ORDERED.

Dated: March 4, 2020  
New York, New York

  
\_\_\_\_\_  
JESSE M. FURMAN  
United States District Judge

**From:** [Anders Olsson Fogelberg](#)  
**To:** [Furman NYSD Chambers](#)  
**Cc:** [anders.Olsson.Fogelberg](#)  
**Subject:** Lawsuit SIAF - and your request , of a voice from a swedish shareholder / since 10 years/  
**Date:** Sunday, February 23, 2020 1:35:02 PM

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Dear Judge ,  
The Honorable Jesse M. Furman  
United States District Court  
Southern District Court of New York

1. the way SIAF's management handles the company is harming us as owners of the company and that we are unable to protect ourselves, since Solomon holds his A shares,
2. the lawsuit is introduced for the benefit of all shareholders and the settlement should therefore also benefit all shareholders,
3. the circumstances around the settlement raises questions as to whether this is true,
4. therefore, the judge should order the settlement to be made public in order to disperse these legitimate doubts and
- 5. in case the Court is not convinced that the settlement will benefit all SIAF's shareholders, it should vacate the dismissal.**

Best Regards

Anders Olsson Fogelberg 19461019-2959  
[address redacted]  
Sweden  
[redacted]

email: [anders.olsson.fogelberg@gmail.com](mailto:anders.olsson.fogelberg@gmail.com)  
[phone number redacted]

**From:** [Neil Stein](#)  
**To:** [Furman NYSD Chambers](#)  
**Subject:** SIAF  
**Date:** Sunday, February 23, 2020 9:43:58 AM

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I am writing this letter to represent on behalf of SIAF's shareholders. Currently, I own 4% stake of the Company's outstanding shares. I just want to share something to be reconsidered.

1. the way SIAF's management handles the company is harming us as owners of the company and that we are unable to protect ourselves, since Solomon holds his A shares,
2. the lawsuit is introduced for the benefit of all shareholders and the settlement should therefore also benefit all shareholders,
3. the circumstances around the settlement raises questions as to whether this is true,
4. therefore, the settlement should be made public in order to disperse these legitimate doubts.

Sincerely,

**From:** [Nico Hertel](#)  
**To:** [Furman.NYSD.Chambers](#)  
**Subject:** Lawsuit against Sino Agro Food  
**Date:** Friday, February 21, 2020 3:08:04 AM

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Dear Honorable Jesse M. Furman!

First I want to introduce myself. I've been a private investor of Sino Agro Food since 2014 but I am not part of the lawsuit against Sino Agro Food.

Now it seems that the case will be dropped because there is a Deal between the Plaintiffs and Sino Agro Food. What I am concerned about is the fight for non-disclosure of settlement terms by the Plaintiffs and Sino Agro Food. If there is nothing to hide why are they fighting for non-disclosure?

Is the Deal between Sino Agro Food and the Plaintiffs against the best interest of all shareholders and is this the reason why they are fighting so hard to hide it? Furthermore isn't it an affront to the spirit of the lawsuit to hide something in front of the public? Did they make a shabby deal which is only in favor of the Plaintiffs and Sino Agro Food but not in the best interest of all shareholders and will they go dark after you closed the lawsuit?

Please, make sure that the terms of the settlement will be disclosed before you are dropping the case. Thank you!

Best Regards:  
Nico Hertel  
Regensburg, Germany

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David Hallonsten February 21<sup>th</sup>, 2020

[address redacted] The Honorable Jesse M. Furman

Belgium United States District Court

Southern District of New York

40 Centre Street, Room 2202

New York, NY 10007

*Furman\_NYSDChambers@nysd.uscourts.gov*

*hallonsten@gmail.com*

Dear Judge Furman,

I'm writing to you as a shareholder in the company Sino Agro Food (SI AF), which is the subject of litigation in your court, and the recent request from the Company and the plaintiffs to dismiss the lawsuit without having to disclose the terms of the settlement.

I appeal to you not to allow this to happen.

The lawsuit lists in detail the many ways in which SI AF's management has acted against the best interests of the Company and its shareholders for many years, most notably through the undisclosed and repeated issuing of shares, at prices far below book value, without any substantive justification<sup>(1)</sup>.

The fact that this practice has been damaging to shareholders has been amply clarified, notably through the assessment of the Oslo Stock Exchange when it imposed a fine on the Company for material breach of its obligations in November 2018.

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<sup>(1)</sup> See, as an example, the vacuous assertion provided in the Company's Q3 Q&A of December 17<sup>th</sup> 2019 (Annex). No further explanation has been provided by the Company.

The supermajority “A” shares held by the CEO, Mr Lee, makes it impossible for us, the other owners of the Company, to stop the continuous dilution of our property and defend our interests.

The solution sought by the lawsuit – the appointment of an independent receiver to assume full control over the Company, its assets, and employees – therefore appears fully justified and indeed, in my view, the only certain and convincing way of ending SIAF’s management’s long-standing and destructive practices.

However, the circumstances around the recent settlement raise serious questions as to whether the settlement really will end these destructive practices and fulfil the aims stated in the lawsuit:

*“121. Plaintiffs bring this action derivatively in the right and for the benefit of SIAF to redress the wrongful and illegal conduct outlined herein by the Individual Defendants.*

*122. Plaintiffs will adequately represent the interests of SIAF and its shareholders in enforcing and prosecuting its rights.*

*123. ...Prosecution of this action, independent of the Individual Defendants, is in the best interests of SIAF and its shareholders.”*

I would like to draw your attention to the fact that no dilution took place during the period between February 2019 and early 2020. However, since the stipulation of dismissal was filed, the Company has issued **millions** of shares<sup>(2)</sup>, accompanied by a drop in the share price of more than 50%.

It therefore appears that the settlement did not address the fundamental mismanagement issue of destruction of shareholder value through dilution.

Moreover, the fact that the parties are actively seeking to keep the terms of the settlement hidden from its fellow shareholders raises questions as to its nature and whether it really is beneficial for the Company as a whole and all its shareholders.

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<sup>(2)</sup> Notably 1 million shares Jan 3<sup>rd</sup> 2020; 1.5 million shares Jan 22<sup>nd</sup> 2020; and 2 million shares Feb 4<sup>th</sup> 2020.

In conclusion, I would appeal to you to ensure that the terms of the settlement be made public, so that all shareholders may assess whether it respects the aims made in the lawsuit, as quoted above.

Moreover, if these terms do not guarantee that the serious mismanagement practices will end, I would appeal to you not to approve the settlement, so that the lawsuit may proceed and justice be served.

Sincerely and respectfully,

A handwritten signature in black ink, appearing to read 'D. Hallonsten', with a large, stylized flourish extending from the bottom.

David Hallonsten

Annex: Excerpt from the Company's Q3 Q&A of December 17<sup>th</sup> 2019.

Annex: Excerpt from the Company's Q3 Q&A of December 17<sup>th</sup> 2019. The Company had then recently raised its authorized share count from 50 to 60 million common shares.



***The Company recently raised its authorized share count and issued new shares, the first newly issued shares since its commitment to hold the share count. Please explain.***

The actions are in the best interest of the Company. Details, analysis, and implications will be addressed in an upcoming posting as soon as plausible.



**From:** [w.p](#)  
**To:** [Furman.NYSD.Chambers](#)  
**Subject:** Sino Agro Food Inc (SIAF) Settlement  
**Date:** Wednesday, February 19, 2020 11:36:43 PM

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Honorable Jesse M Furman

**Case No. 1:19-cv-02680-JMF**

Please, keep all shareholders in mind with your decision on this lawsuit settlement with Sino Agro Food (SIAF). I personally have lost hundreds of thousands of dollars in this company and own over 1 %. I'm not involved in this lawsuit but appreciated it if all shareholders benefit from your decision and not just a few. The Sino Argo Food experience has been one of the most difficult periods in my investments with all the deceptions & BS. Please help all of us..

Thank you  
Neil Palmer

**From:** [Lu, Kevin](#)  
**To:** [Furman.NYSD.Chambers](#)  
**Subject:** RE: case status inquiry for Hon. Furman  
**Date:** Thursday, January 30, 2020 5:48:57 PM

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Hon. Jesse Furman:

I saw in the docket report that you have signed the dismissal order for 1:19-cv-02680 (Heng Ren v. Sino Agro Food et al).

My questions - how could the court approve the dismissal of a derivative action without a proper shareholder notice?

Thanks.  
Kevin Lu

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From: Lu, Kevin  
Sent: Saturday, January 25, 2020 10:56 AM  
To: Furman\_NYSDChambers@nysd.uscourts.gov  
Subject: case status inquiry for Hon. Furman

Hon. Jesse Furman:

I am a concerned shareholder of the derivative action - 1:19-cv-02680 (Heng Ren v. Sino Agro Food et al).  
Pacer systems show that the case has been terminated on 12/23/2019.

Can you please confirm whether Hon. Furman has approved the attached voluntary dismissal? The dismissal order in the docket doesn't have the judge's signature, so it's quite unclear.

Thanks.  
Kevin Lu